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Division of Public Utilities

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Action Request Response

TO: Public Service Commission

FROM: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Bob Davis, Utility Analyst
Justin Christensen, Utility Analyst

DATE: March 4, 2015

SUBJECT: 15-035-T01 TARIFF In the Matter of Rocky Mountain Power's Proposed Revisions to Street Lighting Schedules and New Light Emitting Diode (LED) Street Lighting Service.

Recommendation (APPROVAL)

The Division of Public Utilities ("Division") has reviewed Rocky Mountain Power's ("RMP" or "Company") Advice No. 15-01 Tariff P.S.C.U. No. 50 of PacifiCorp, dba Rocky Mountain Power electric service in the State of Utah – Revisions to Street Lighting and New Light Emitting Diode ("LED") Street Lighting Service. After analysis, the Division finds no issues of concern with the revisions to tariff schedules No. 11 and No. 12 – Street Lighting Company-Owned System and Street Lighting Customer-Owned System, respectively, and the new LED street lighting option available to High Pressure Sodium Vapor ("HPSV") customers and therefore recommends approval of the filed revised tariff sheets Schedule No. 11 and Schedule No. 12.

Issue

On February 16, 2015, RMP, filed Advice No. 15-01, proposing revisions to Electric Service Schedules No. 11 and No. 12, Street Lighting Company-Owned and Street Lighting Customer-Owned,

respectively, for changes to discontinued lamps and services. In addition, RMP is now offering four LED lamp alternatives for the 100, 150, 250 and 400 watt HPSV lamps for those customers who want to use less energy at a lower monthly price.

On February 17, 2015, the Commission issued an Action Request to the Division requesting an investigation of the filing and to provide analysis, evaluation of results and conclusions as a basis for recommendations regarding the filing. The Commission asked the Division to report back by March 4, 2015.

Discussion

There are three purposes for the filing. First, to revise certain street lighting tariffs to better clarify provisions of service for street lighting customers and create consistency across street lighting schedules. Second, to introduce LEDs as an alternative for currently offered HPSV lighting. Third, to remove some of the lighting fixtures that are no longer in demand as there are no customers currently under those services.

Schedule No. 11 – Street Lighting Company-Owned would add LED as an alternative for customers. LED lighting would be offered in flat rate pricing with four equivalent sizes offered in addition to current standards. Decorative LED fixtures would not be offered until the cost and availability of LED fixtures are more cost feasible in comparison to current HPSV offerings. RMP is removing 1000 watt HPSV, 50 and 405 watt Incandescent, 400 watt Flood Lamps, 175, 250 and 400 watt Metal Halide (“MH”) Decorative Series 1 and 400 watt MH Decorative Series 2 from this schedule. These lamps are no longer in demand and currently have no customers using these services.

Schedule No. 12 – Street Lighting Customer-Owned would make revisions to service provisions 1, 2 and 3 that clarifies RMP’s responsibilities for maintenance and service connections. RMP is removing 100 watt Mercury Vapor (“MV”) and 40 watt Fluorescent with partial maintenance and 400 watt MV and 200 watt HPSV with full maintenance from this schedule. These lamps and maintenance services are no longer in demand and currently have no customers using these services.

In reviewing this advice, the Division has no concerns of consequence with this filing other than those that follow. First, the filing appears to be complete other than 746-405-2 (D) (3) (g) – statement that

the tariff sheets proposed do not constitute a violation of state law or Commission rule. However, the rule also states that the filing of proposed tariff sheets shall of itself constitute the representation of the filing utility that it, in good faith, believes the proposed sheets or revised sheets to be consistent with applicable statutes, rules and orders. The Division assumes that this filing does not violate statute or rule and has found no indication to the contrary.

Second, the Division reviewed the listed discontinued lamps for Schedules 11 and 12 in comparison to the last general rate case Docket No. 13-035-184, "Exhibit C - Rate Design-Step 1", filed June 25, 2014. Upon review, there were no forecasted units for the discontinued lamps except for the following:

Schedule 11

MH 19,500 Lumen/250W – 41 units

Incandescent 6,000 Lumen/405W – 161 units

Flood Lamp 50,000 Lumen/400W – 12 units

Schedule 12

MV 4,000 Lumen/100W – 47 units

Subsequent information from the Company, requested by the Division, shows the current customer counts for Schedules 11 and 12 as of February 2015. The report shows no customers for the above listed lamps. The Company has footnoted in both Schedules 11 and 12 that they will not be offering new service for these discontinued products.

Third, the Division requested analysis from RMP regarding the lumen/wattage equivalency of the LED versus HPSV alternative lamps being offered. After speaking with company personnel, the Division is convinced that RMP has the customer's best interests in mind by offering the LED lamps at their present lumen and wattage ratings as an alternative for the HPSV 100W, 150W, 250W and 400W lamps. The LED lamp alternatives offer customers the opportunity to save energy and money while keeping the same or better lumen equivalency to the HPSV lamps.

Fourth, the Division requested and received additional information from the Company for its analysis¹ regarding the flat monthly pricing for the LED alternatives. The numbers used for the LED pricing can be traced to the schedules associated with the Company's last general rate case.² The Company used revenue requirement numbers based on actual rate of return versus the authorized rate of return from the rate case. This leads to some variance in the numbers when comparing between the rate case exhibit and the exhibit provided for this docket's analysis. Based on the supplemental analysis, the pricing seems to be reasonable.

Conclusion

The Division has reviewed the Company's Advice No. 15-01 Tariff P.S.C.U No. 50 of PacifiCorp, dba Rocky Mountain Power electric service in the State of Utah - proposing revisions to Electric Service Schedules No. 11 and No. 12, Street Lighting Company-Owned and Street Lighting Customer-Owned, respectively, and finds that it meets the Commission's reporting requirements other than that pointed out above.

After analysis, the Division finds no issues of concern with the revisions to tariff schedules No. 11 and No. 12 – Street Lighting Company-Owned System and Street Lighting Customer-Owned System, respectively. In addition, the Division finds no issues with the new LED street lighting alternatives available to HPSV customers and therefore recommends approval of the filed revised tariff sheets Schedule No. 11 and Schedule No. 12.

CC Jeffrey K. Larsen, RMP
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¹ See the Company's "Attachment B – Calculation of Company LED Light Rates" included with this filing.

² See Docket No. 13-035-184, Exhibit B – RMP Stipulation Exhibit C 6-25-2014, Tab "Rate Design-Step 1"